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To mine file
Ontario
M. 043.003

March 7, 2007

Mr. Mark D. Harrington, City Attorney
Park City Municipal Corporation
P. O. Box 1480
Park City, Utah 84060

RE: United Park City Mines Reclamation

Dear Mark:

On behalf of United Park City Mines Company (UPCM), I am writing in reference to your letter to Mary Ann Wright with the Division of Oil, Gas and Mining (DOGM) dated February 28, 2007, in which you inquired whether UPCM was in compliance with DOGM regulations.

As you may be aware, (i) UPCM became a lessor and ceased its mining operations in 1970, five years before enactment of the Utah Mined Land Reclamation Act, Utah Code Ann. § 40-8-1, *et seq* (the "Act"), and (ii) DOGM therefore determined long ago that UPCM is not subject to DOGM jurisdiction and that UPCM has no outstanding mining reclamation obligations under applicable law. In fact, as early as 1988, DOGM initiated administrative proceedings to determine whether UPCM fell under the requirements of the Act. As a result of those proceedings, DOGM has continually reaffirmed that UPCM is not subject to the Act or DOGM jurisdiction.

United Park takes this opportunity to assure Park City that, despite the fact that DOGM has no jurisdiction over UPCM or the Empire Pass project, UPCM continues to voluntarily engage in substantial, proactive environmental mitigation efforts primarily conducted under the authority and oversight of the United States Environmental Protection Agency and the Utah Department of Environmental Quality. For example, in 2003 UPCM entered into an Administrative Order on Consent (AOC) that governs UPCM's cleanup of Empire Canyon, including the proposed hotel site. Similarly, UPCM's removal of mine waste materials from the hotel site to Richardson Flat was expressly provided for in the AOC, as well as in EPA's Record of Decision for Richardson Flat. Thus, removal of mining wastes from Empire Canyon to Richardson Flat has occurred under EPA oversight. Moreover, UPCM is about to enter into a

via email 3/7/07

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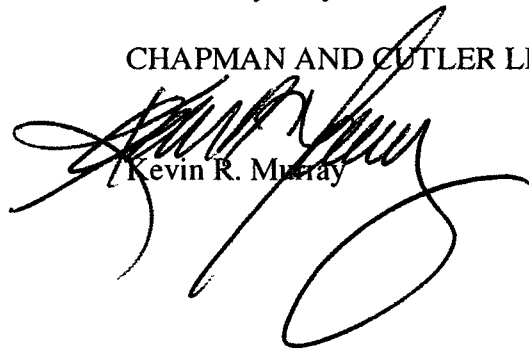
Consent Decree with EPA that will provide for continuing oversight and prior approval for all materials being taken to Richardson Flat.

You should also be aware that all of United Park's mine feature mitigation efforts are carefully designed, conducted and managed under the supervision of multiple outside experts, engineers and consultants. The Meers shaft closure design, for example, was reviewed and certified by three independent sets of experts (including a determination that the closure exceeds industry standards), and oversight for the closure was provided by the design engineer himself.

We appreciate this opportunity to provide you with this information. If you have additional questions, please feel free to call me at your convenience.

Yours very truly,

CHAPMAN AND CUTLER LLP



Kevin R. Murray

cc: Dave Smith
Kerry Gee